

Suspicious Transaction Reporting: Overview & Statistics

Jade CHAN

Chief Inspector of Police

Headquarters

Financial Intelligence and Investigation Bureau



Important Notice

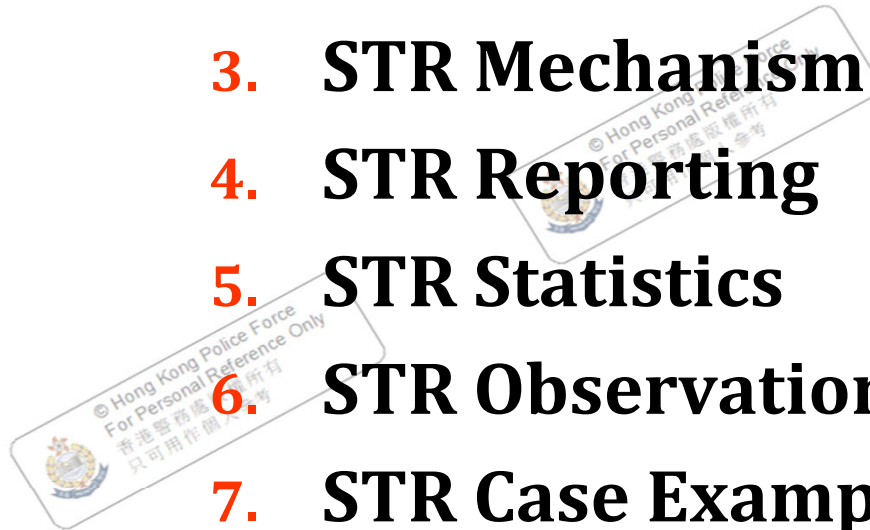
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重要告示

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Agenda

1. About FIIB
2. Role in AML/CFT
3. STR Mechanism
4. STR Reporting
5. STR Statistics
6. STR Observation
7. STR Case Examples



About FIIB



1. **Financial Investigation Division**
2. **Joint Financial Intelligence Unit**
3. **Headquarters**

Role in AML/CFT



Functions provided by lawyers



- Buying /selling property
- Complex legal arrangements
- Financial transactions
- Financial and tax advice

Role in AML/CFT

“Practice Direction P”

1. **Client identification and verification**
2. **Customer Due Diligence (CDD)**
3. **Record Keeping**

Role in AML/CFT

Activities identified by FATF to be at risk for ML / TF



1. **Conveyancing (real estate transactions)**
2. **Trustee services**
3. **Formation and administration of companies and entities**
4. **Buying and selling of businesses**

STR Mechanism

← Public-Private Partnership →

Reporting Entities

Financial Institutions & DNFBPs

CDD + KYC

Record Keeping

Internal Controls

STR Filing

Financial Intelligence Unit

JFIU

STR Regime

Intelligence Exchange

International Cooperation

Training & Outreach

Law Enforcement Agencies

e.g. Police, Customs, ICAC

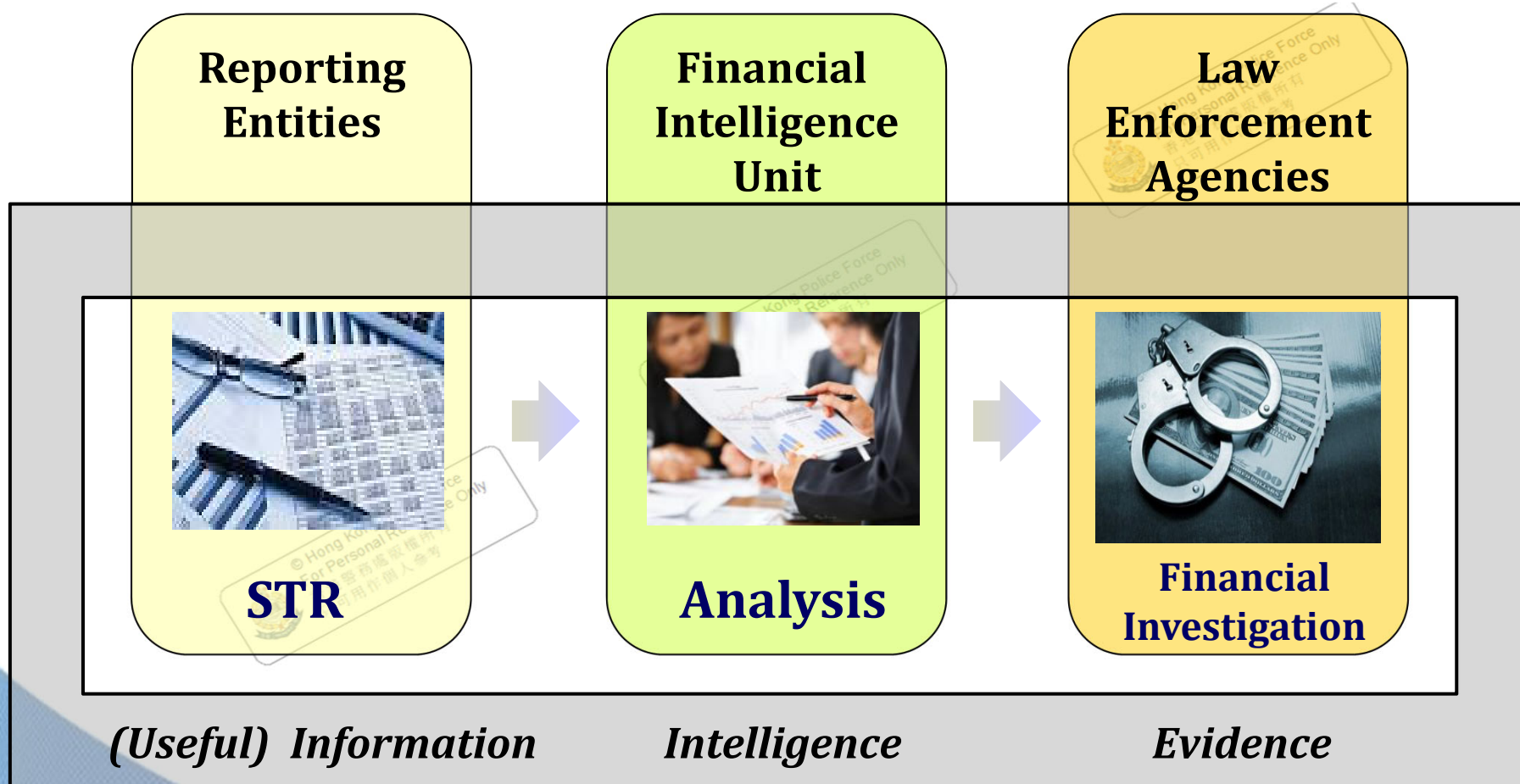
Financial Investigation

Asset Tracing

Restraint & Confiscation

Mutual Legal Assistance

STR Mechanism



STR Reporting

JFIU
website

The screenshot displays the JFIU website interface. At the top, it identifies the Joint Financial Intelligence Unit as part of the Government of the Hong Kong Special Administrative Region. A navigation menu on the left lists various sections, with 'Suspicious Transaction Report' highlighted by a red circle. A dropdown menu for this section is open, listing several options: 'How to identify a Suspicion?', 'When to submit an STR?', 'How to submit an STR?', 'What to Report in an STR?', and 'Download'. The 'Download' option is circled in yellow. Below the dropdown, a banner for the '「守戶者聯盟」' (Guardians Alliance) slogan design competition is visible. At the bottom of the page, there is a footer with logos for the Hong Kong Police Force and Customs & Excise Department, along with a copyright notice.

STR Reporting

How to submit an STR?

Suspicious Transaction Report And Management System (STREAMS)

Suspicious transaction reports can be made in one of the following ways:



- by e-reporting system, STREAMS
- by email to jfiu@police.gov.hk



- by fax to : (852) 2529 4013



- by mail, addressed to Joint Financial Intelligence Unit, GPO Box 6555 Hong Kong



- by telephone (852) 2866 3366 (for urgent reports during office hours)

STREAMS - Login Frame

Suspicious Transaction Report And Management System (STREAMS)

Username

Password

Database: SEOX-ACCESS

Login Reset

If you want to file STR via STREAMS, you have to complete **the application form** and return to JFIU either by fax (2529 4013) or email (jfiu@police.gov.hk). If you need any further information, please feel free to contact JFIU staff.

Risk Indicators

Client

- **Individuals:** Age / Occupation / Reported Salary / History of business ? Non-resident / Corporate from high-risk country?
- **Corporate:** Incorporation date / Business nature / Expected turnover? Complex corporate structure (obscuring ultimate beneficial ownership)?

Risk Indicators

Transaction

- Payment from 3rd party / cashier order?
- Unusual high/ low payment for a property?
- Unexpected amount of transactions / Suspicious patterns?
- Transacted with unrelated parties / jurisdiction?

Risk Indicators

Previous Records/ Further Enquiries

- Background check / open source (*adverse news*)
- Failing to disclose specific role / relationship / ownership of property
- Unwilling to response to questions or answers are not convincing
- Unwilling to provide supporting document

Risk Indicators

Evaluation

- Information from client is incommensurate with your record in hand?
- Information from client could not be verified?
- The client appeared to be a stooge in the transaction?

STR Statistics

Number of STRs received since 2012



STR Observation

Anti-Money Laundering and
Counter-Terrorist Financing Ordinance,
Cap.615 (AMLO)

No. of STRs	2016	2017	2018	2019	2020	2021 (Jan- June)
Annual Total	76,590	92,115	73,889	51,588	57,130	29,891
File by Legal sector	969	555	416	810	807	325
% of STR file by Legal Sector	1.27%	0.60%	0.56%	1.57%	1.41%	1.09%

STR Observation

Common Scenarios filed by Legal Sectors

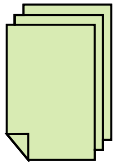
- Report for client, who is a victim of crime
- Report client or client's counter-party who might involve in criminal or illicit activities
- Property purchase without mortgage
- Large amount of cash deposits and withdrawals
- Clients' account received funds from 3rd party or cashier order

Case Example (1)

Services for witnessing the signatures of the parties in respect of purchase contracts



Mr. A



Mr. B

CDD/KYC

- Both parties at their **30s w/o known business**
- Isolated purchase w/o business background

Payment Method

- Purchase to be settled **in cash**



Joint Financial Intelligence Unit



Funds originated from **Deception case(s)**

Analysis and referral

Detection of the deception and money laundering scheme

Case Example (2)

港澳版 > 新聞 > 港澳

東網 on.cc

假冒名城業主賣樓呢錢 兩漢分囚3年半及4年

2018年05月24日(四) 17:08

Tweet 分享

2021年10月19日(二)
28°C
繁體 简体
爆料
視頻
電子報·刊物
即時新聞
港澳國際評論產經
Money
網FUN穿網
體波馬經
NEO時代
東方日報網頁
搵樓18



譚健龍
陳漢明
大圍名城

名城假業主案，譚健龍和陳漢明在區院承認欺詐和洗黑錢共17罪。(資料圖片)

詐騙集團訛稱是大圍屋苑「名城」的業主，欲以920萬港元放售單位，其後指派一名男子，手持與真正業主同名的假身份證簽訂臨時買賣合約，並收取買家值約292萬港元支票。此外，集團又找另一名男子將名字改成上述業主，並到銀行開戶口，讓集團將該筆款項存入銀行。2名男子早前承認欺詐和洗黑錢共17罪，其中41歲首被告譚健龍今(24日)在區域法院被判監48個月，36歲次被告陳漢明被判監42個月。

首被告曾任職運輸工，現為無業；次被告曾任健身教練，後因被指非禮而失去工作。法官判刑指，涉案人士在精心策劃下干犯本案，他們

星島日報 35.5k 人追蹤 ☆ 追蹤

高智騙徒扮名城業主 用假證呢訂292萬

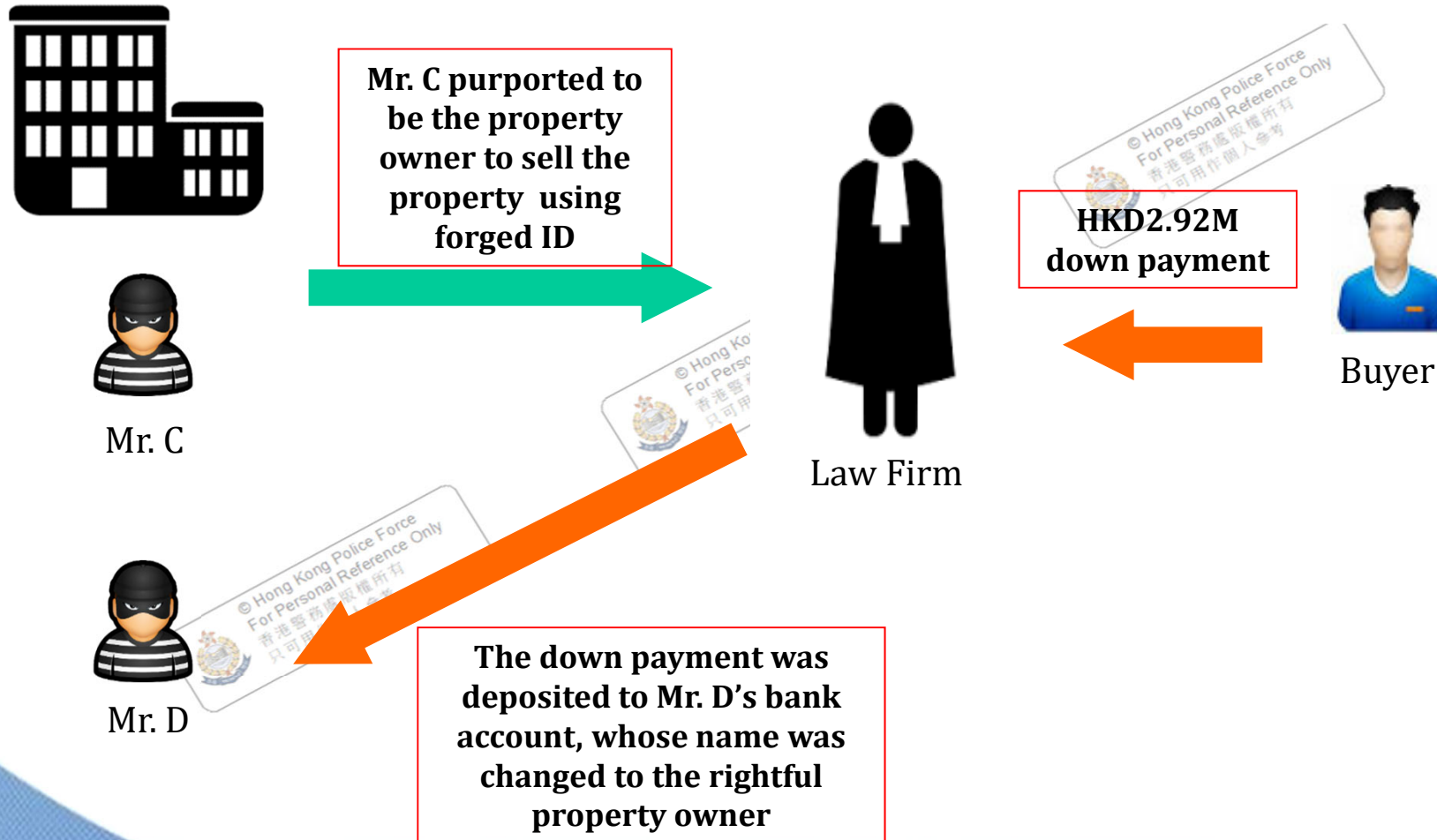
2016年5月17日



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Case Example (2)





Thank you

www.jfiu.gov.hk